



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE :
COMMISSION, :

Plaintiff, :

05 Civ. 2192 (WHP)

-against- :

NORTHSHORE ASSET :
MANAGEMENT et al., :

Defendants. :

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ARTHUR STEINBERG as receiver for :
Northshore Asset Management, LLC et. al., :

Plaintiff, :

06 Civ. 5024 (WHP)

-against- :

UNIVERSAL GENESIS STRATEGIC :
HOLDINGS, INC et. al., :

Defendants. :

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ARTHUR STEINBERG as receiver for :
Northshore Asset Management, LLC et. al., :

Plaintiff, :

06 Civ. 5564 (WHP)

-against- :

LEO SPHIZ, :

Defendant. :

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ARTHUR STEINBERG as receiver for :
Northshore Asset Management, LLC et. al., :

Plaintiff, :

06 Civ. 5565 (WHP)

-against- :

RICHARD WHARTON, :

Defendant. :

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ARTHUR STEINBERG as receiver for :
Northshore Asset Management, LLC et. al., :

Plaintiff, :

06 Civ. 5566 (WHP)

-against- :

JIM PORTER, :

Defendant. :

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ARTHUR STEINBERG as receiver for :
Northshore Asset Management, LLC et. al., :

Plaintiff, :

06 Civ. 5567 (WHP)

-against- :

MELVIN NEWMAN, :

Defendant. :

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ARTHUR STEINBERG as receiver for :
Northshore Asset Management, LLC et. al., :

Plaintiff, :

06 Civ. 7770 (WHP)

-against- :

WALTER SCHWAB, :

Defendant. :

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ARTHUR STEINBERG as receiver for :
Northshore Asset Management, LLC et. al., :

Plaintiff, :

07 Civ. 1001 (WHP)

-against- :

GLENN SHERMAN et. al., :

Defendants. :

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ARTHUR STEINBERG as receiver for :
Northshore Asset Management, LLC et. al., :

Plaintiff, :

07 Civ. 1208 (WHP)

-against- :

BLOOMBERG, L.P. et. al., :

Defendants. :

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ARTHUR STEINBERG as receiver for	:	
Northshore Asset Management, LLC et. al.,	:	
	:	
Plaintiff,	:	07 Civ. 1212 (WHP)
	:	
-against-	:	
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BOMBARDIER TRUST (CANADA) et. al.,	:	
	:	
Defendants.	:	

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ARTHUR STEINBERG as receiver for	:	
Northshore Asset Management, LLC et. al.,	:	
	:	
Plaintiff,	:	07 Civ. 1217 (WHP)
	:	
-against-	:	
	:	
FONDATION J. ARMAND BOMBARDIER,	:	
	:	
Defendant.	:	

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ARTHUR STEINBERG as receiver for	:	
Northshore Asset Management, LLC et. al.,	:	
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Plaintiff,	:	07 Civ. 4832 (WHP)
	:	
-against-	:	
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JOEL ASH,	:	
	:	
Defendant.	:	

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ARTHUR STEINBERG as receiver for	:	
Northshore Asset Management, LLC et. al.,	:	
	:	
Plaintiff,	:	07 Civ. 4833 (WHP)
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-against-	:	
	:	
STEPHEN A. ALDERMAN,	:	
	:	
Defendant.	:	

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ARTHUR STEINBERG as receiver for	:	
Northshore Asset Management, LLC et. al.,	:	
	:	
Plaintiff,	:	08 Civ. 2390 (WHP)
	:	
-against-	:	
	:	
FONDATION LUCIE ET ANDRE	:	
CHAGNON,	:	
	:	
Defendant.	:	

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**ORDER DIRECTING THE SEC TO CONDUCT AN
AUDIT AND MAKE REPORTS REGARDING THE RECEIVER**

WILLIAM H. PAULEY III, District Judge:

In view of the SEC's apparent failure to comply with its obligations under the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses to review bills for professional services and expenses submitted by the Receiver and his consultants, the SEC is directed to take the following actions:

1. The SEC shall audit the seven interim applications for compensation and reimbursement of expenses that have been filed for periods through June 30, 2007

and all bills for professional services and expenses paid through February 29, 2008 by the Receiver, Kaye Scholer, Goldin Associates, Morris-Anderson & Associates, JP Morgan Trust Company, and Mahoney Cohen & Company.

2. The SEC audit is to include a line by line review of each time entry or expense and to categorize each such entry as either reasonable, questionable, or unreasonable in the SEC 's view.

3. The SEC shall submit a report to the Court summarizing its audit and line by line review and proposing corrective and prospective actions.

4. The Receiver, Kaye Scholer, Goldin Associates, Morris-Anderson & Associates, JP Morgan Trust Company, and Mahoney Cohen & Company are directed to fully cooperate with the SEC in its audit and review and provide any additional information to the SEC that the SEC determines in its discretion it needs to comply with this Order.

5. The SEC shall also submit a report to the Court regarding its procedures for nominating receivers to United States judges. Said report should provide the specific details concerning the process by which Arthur Steinberg, Esq. came to be the SEC 's sole nominee in these matters. The SEC 's report should also include a list of every matter in which the SEC nominated Mr. Steinberg or his law firm to serve as an appointee of a court. The SEC's report should also identify any other cases in which the SEC is aware that a court-appointee has retained Mr. Steinberg or his law firm.

6. The audit and reports required by this Order shall be submitted by April 22, 2008 and signed by the Regional Director of the SEC's New York Regional Office and the SEC attorney responsible for the conduct of this litigation.

Dated: March 21, 2008
New York, New York

SO ORDERED:


WILLIAM H. PAULEY III
U.S.D.J.

All Counsel of Record